

CARES ACT STIMULUS OPTIONS



PPP SBA Loan

Low interest government backed loan that requires no collateral/personal guarantee. Maximum loan amount is \$10M with loan forgiveness possible if conditions are met.

Economic Injury Disaster Loans (EIDL)

Loan for small businesses adversely impacted by COVID-19. Applicants can apply for up to \$2MM and for a \$10,000 advance on loan which doesn't have to be repaid if they aren't approved for the loan.



Payroll Tax Deferment

Defer 50 % of employer Social Security (SS) Tax beginning on the date the CARES Act was enacted through the end of 2020. Deferred payment split between EOY 21 and EOY 22.

Employee Retention Tax Credit

Tax Credit that includes up to 50% of total wages, with a 10K cap, per employee per quarter. Company size restrictions apply. Not an option for those receiving debt forgiveness.

Maximizing the CARES Act



Received Approval for SBA PPP Loan

- Get Loan Funded
- Keep Records (separate account not necessary)
- Maximize reasonable 8-week payroll expenses
- Maximize 8-week rent/interest/utility expenses
- Rehire EEs & restore salary by June 30
- Use FFCRA Sick Pay conservatively if possible
- Request 6-12 month Loan Payment Deferral (if desired)
- Delay forgiveness application until Dec 2020 if desiring 6.2% tax deferment



Taking the retention credit

- Apply for EIDL (if needing cash)
- Turn on 6.2% Tax Deferment
- Take deferment option
- Use FFCRA (C19) Sick Pay liberally
- Maximize reasonable employee wages up to \$10,000 per employee per quarter

